UTILITY CORP.

ANNUAL REPORT TO SHAREHOLDERS

May 21, 1999

Report To Shareholders

I am pleased to report on the financial results of Utility Corp. for the fiscal years ended May 21, 1999 and 1998.

Financial Performance

For the year ended May 21, 1999, the Company's net investment income was $1.419 per share as compared to $1.518 in 1998. The decrease is due primarily to the sale or maturity of the portfolio debt securities which occurred prior to the end of the 1998 year. As a result, the current portfolio consists entirely of equity securities on which the current dividend income is lower than the income earned on the original debt and equity portfolio. Total net investment income for the year was $4,844,951 (1998 - $9,364,017) reflecting the reduced size of the portfolio following the redemption of 44.4% of the Class A shares upon the Company's reorganization in May 1998.

It is the Company's policy to declare and pay equal monthly dividends on the outstanding shares based on the expected annual dividends and interest income if any earned by the portfolio less expected annual expenses. Undistributed net investment income is maintained at an amount representing dividend income earned on the investment portfolio not yet received by the Company and cash required to fund the equal monthly dividends. For the year ended May 21, 1999, the Company paid dividends of $1.404 (1998 - $1.567) per share, of which $0.087 (1998 - $0.067) was a special dividend paid with respect to the previous fiscal year. Net investment income for the year includes an amount available for distribution of approximately $164,000 above projections. As a result, on August 4, 1999, the Board of Directors declared a special dividend of $0.055 per share payable subsequent to the year end.

At May 21, 1999, the Net Asset Value per Class C share was $39.78, as compared to $45.41 at May 21, 1998. As a result of the Special Annual Retraction on May 21, 1999, a total of 457,265 shares were retracted in exchange for cash and portfolio securities with an aggregate value of $18,096,222. The market value of the Company's portfolio at year end was $117,700,350, reflecting net unrealized appreciation of $53,109,409, following the distribution of net realized gains on retractions in the amount of $8,086,051.

Following the merger in July 1998 of TransCanada PipeLines Limited and NOVA Corporation, the Company held shares in both the new TransCanada PipeLines Limited and the residual NOVA Corporation. In line with the Company's mandate to invest in shares of select Utility Companies, the NOVA Corporation shares were sold and the proceeds were reinvested in additional shares of TransCanada PipeLines Limited.

Year 2000

As the year 2000 approaches, the issue of whether computer systems will properly recognize a date using "00" (and subsequent dates) as the year 2000 rather than 1900 needs to be addressed.

As a mutual fund corporation, the Company has no active business operations of its own and no computer systems that could be directly affected by Year 2000 readiness issues. However, the Company conducts its operations through several third party service providers, including its administrator, transfer agent and registrar, custodian and various financial institutions and holds a portfolio of investments whose issuers may be affected by Year 2000 readiness issues.

The Company has, through its administrator, contacted such third party service providers in writing to assess the state of Year 2000 readiness of these parties and has reviewed the securities disclosure documentation of the issuers of the portfolio securities. This initial review was completed as at the end of March 1999 as part of a plan that was developed and adopted by the Company to deal with potential Year 2000 readiness issues. Under this plan, the progress of the Company's third party service providers with respect to their Year 2000 readiness continues to be monitored (including obtaining status reports on the testing of their systems and in some cases their participation in certain industry wide testing), and the

securities disclosure documentation of the issuers of portfolio securities with respect to Year 2000 issues is being reviewed on an ongoing basis. The plan also contemplates the continuation of certain other initiatives on behalf of the Company including monitoring the approach of other similar market participants to Year 2000 readiness issues. It is expected that implementation of the plan and any contingency planning relating to Year 2000 readiness issues will be completed by November 30, 1999. The Company's initiatives in this area have resulted in additional expenses to the Company in the amount of $20,000 for the year ended May 21, 1999.

As set out in the Company's prospectus, the policy of the Company is to maintain its portfolio of investments and to trade them only in the limited circumstances described in the prospectus. As discussed above, the Company, through its administrator, is continuing to review the public securities disclosure documentation of the issuers of the portfolio securities and to date has not identified any Year 2000 readiness issues relating to any such issuers as a result of its review which would be material to the Company. For further information relating to the Year 2000 readiness of these issuers, shareholders should review the annual and continuous disclosure documentation filed by the portfolio issuers with the Securities Regulators.

This report, along with the accompanying audited financial statements of the Company, is respectfully submitted to you on behalf of the Board of Directors of Utility Corp.

R.C. Wi

Toronto, Canada
September 8, 1999

Robert C. Williams
President and Chief Executive Officer

Management's Responsibility for Financial Reporting

The accompanying financial statements of Utility Corp. and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors (the "Board").

The financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out these responsibilities through its Audit Committee (the "Committee").

The Committee is appointed by the Board. The Committee meets periodically with management and external auditors to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the external auditors' report. The Committee reports its findings semi-annually to the Board for consideration when approving the financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditors.

The financial statements have been audited by Ernst & Young LLP, the Company's external auditors, in accordance with generally accepted auditing standards on behalf of the shareholders. Ernst & Young LLP has full and free access to the Committee.

R.C. Williams

Robert C. Williams
Chief Executive Officer

MK Warman

Michael K. Warman
Chief Financial Officer

Toronto, Canada
September 8, 1999

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the statements of net assets and investments of Utility Corp. as at May 21, 1999 and 1998, and the statements of investment operations, changes in net assets and undistributed net realized gain on disposition of investments for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Company as at May 21, 1999 and 1998 and the results of its operations and the changes in its net assets for the years then ended in accordance with generally accepted accounting principles.

Ernst & Young LLP

Toronto, Canada
June 30, 1999

Ernst & Young LLP
Chartered Accountants

UTILITY CORP.

Statements Of Net Assets

As at May 21

	1999	1998
Assets		
Investment portfolio, at market value	$ 117,700,350	$ 155,203,091
Cash and short-term investments	1,468,628	1,373,778
Dividends receivable	564,646	479,005
	119,733,624	157,055,874
Liabilities		
Accrued liabilities	71,476	331,253
Part IV tax payable *(note 6)*	283,679	—
Dividends payable	389,068	—
	744,223	331,253
	$ 118,989,401	$ 156,724,621
Shareholders' Equity		
Share capital *(notes 1 and 3)*	$ 68,123,352	$ 78,585,812
Unrealized appreciation of investments	53,109,409	80,627,265
Distribution in respect of unrealized appreciation *(note 4)*	(3,091,795)	(3,567,709)
Undistributed net investment income	827,742	1,079,253
Undistributed net realized gain	20,693	—
	$ 118,989,401	$ 156,724,621
Number of Shares Outstanding *(note 3)*	2,970,643	3,427,908
Net Asset Value per Share *(note 8)*	$ 39.78	$ 45.41

See accompanying notes to financial statements.

On behalf of the Board:

R.C. Williams

Robert C. Williams
Director

MK Warman

Michael K. Warman
Director

UTILITY CORP.

Statements Of Investment Operations

For the years ended May 21

		1999		1998
Revenue				
Dividend income	$	5,363,106	$	8,039,098
Interest income		55,320		2,099,824
		5,418,426		10,138,922
Expenses				
Administrative fees *(note 7)*		381,996		636,054
Printing and mailing charges		37,572		7,500
Directors fees		32,765		33,800
Listing fees		16,137		18,725
Custodial fees		14,514		18,000
Transfer agent fees		12,769		23,500
Audit fees		9,934		15,000
Capital tax		4,170		500
Legal fees		976		8,000
Other *(note 5)*		62,642		13,826
		573,475		774,905
Net investment income for the year		4,844,951		9,364,017
Undistributed net investment income, beginning of year		1,079,253		1,379,936
Dividends paid		(4,812,783)		(9,664,700)
Part IV tax *(note 6)*		(283,679)		—
Undistributed net investment income, end of year	$	827,742	$	1,079,253
Net investment income per Share*	$	1.419	$	1.518
Dividends paid per Share	$	1.404	$	1.567

* Based on the weighted average number of shares outstanding.

See accompanying notes to financial statements.

UTILITY CORP.

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended May 21

	1999	1998
Capital transactions		
Reorganization costs	$ 23,625	$ (2,598,562)
Retraction of Class C Shares	(18,096,222)	—
Redemption of Class A Shares	—	(127,973,115)
	(18,072,597)	(130,571,677)
Investment transactions		
Cost of investment portfolio, beginning of year	(74,575,826)	(145,514,855)
Purchase of investment	(724,415)	—
	(75,300,241)	(145,514,855)
Cost of investment portfolio, end of year	64,590,941	74,575,826
Cost of investments disposed of	(10,709,300)	(70,939,029)
Market value of investments disposed of	18,816,044	130,381,481
Net realized gain on disposition of investments	8,106,744	59,442,452
Unrealized appreciation (depreciation) of investments	(27,517,856)	29,392,798
Total realized and unrealized gain (loss) on investments	(19,411,112)	88,835,250
Income transactions		
Net investment income for the year	4,844,951	9,364,017
Dividends paid	(4,812,783)	(9,664,700)
Part IV tax	(283,679)	—
	(251,511)	(300,683)
Changes in net assets during the year	(37,735,220)	(42,037,110)
Net assets, beginning of year	156,724,621	198,761,731
Net assets, end of year	$ 118,989,401	$ 156,724,621

See accompanying notes to financial statements.

Statements Of Undistributed Net Realized Gain On Disposition Of Investments

For the years ended May 21

	1999	1998
Undistributed net realized gain, beginning of year	$ —	$ 76,788
Market value of investments disposed of	18,816,044	130,381,481
Cost of investments disposed of	(10,709,300)	(70,939,029)
Net realized gain on disposition of investments	8,106,744	59,519,240
Net realized gain distributed on retraction	(8,086,051)	—
Net realized gain distributed on redemption	—	(59,519,240)
Undistributed net realized gain, end of year	$ 20,693	$ —

See accompanying notes to financial statements.

Statements Of Investments

As at May 21

Number of Common Shares			Cost		% of Portfolio at Cost		Market Value	
1999	1998	Company	1999	1998	1999	1998	1999	1998
			$	$	%	%	$	$
176,184	203,400	BCE Inc.	3,921,775	4,527,591	6.1	6.1	12,412,163	13,424,400
130,363	150,500	BC Gas Inc.	1,954,630	2,256,559	3.0	3.0	3,630,610	4,816,000
—	288,900	[1] BC TELECOM Inc.	—	6,015,549	—	8.0	—	16,033,950
392,246	—	[1] BCT.TELUS Communications Inc.	7,536,407	—	11.6	—	14,003,182	—
130,750	—	[1] BCT.TELUS Communications Inc. (NV)	2,512,161	—	3.9	—	4,550,100	—
170,295	196,600	Bruncor Inc.	1,858,062	2,145,072	2.9	2.9	3,746,490	5,583,440
5,892	6,800	Canadian Utilities Limited (Class A)	134,330	155,030	0.2	0.2	262,783	300,900
286,105	330,300	Canadian Utilities Limited (Class B)	6,512,476	7,518,466	10.1	10.1	12,731,673	14,648,805
76,486	88,300	Fortis Inc.	1,874,117	2,163,592	2.9	2.9	2,669,361	3,973,500
419,406	242,097	[2] Enbridge Inc.	5,904,230	6,816,290	9.1	9.1	14,113,012	15,264,216
179,996	207,800	Maritime Telegraph and Telephone Company, Limited	3,793,280	4,379,228	5.9	5.9	6,533,855	8,312,000
294,766	340,300	NewTel Enterprises Limited	6,382,609	7,368,563	9.9	9.9	9,948,353	14,020,360
685,764	791,700	[3] NS Power Holdings Inc.	7,972,107	9,203,629	12.3	12.3	12,240,887	14,883,960
234,912	135,600	[4] The QuébecTel Group Inc.	2,183,779	2,521,118	3.4	3.4	3,840,811	5,329,080
—	405,100	[1] TELUS Corporation	—	5,585,236	—	7.5	—	15,657,115
570,821	659,000	TransAlta Corporation	8,309,716	9,593,380	12.9	12.9	11,987,241	15,618,300
122,706	114,700	[5] TransCanada PipeLines Limited	1,881,811	2,179,859	2.9	2.9	2,362,091	3,779,365
91,991	106,200	Westcoast Energy Inc.	1,859,451	2,146,664	2.9	2.9	2,667,738	3,557,700
			64,590,941	74,575,826	100.0	100.0	117,700,350	155,203,091

1 Reflects the merger of BC TELECOM Inc. and TELUS Corporation, which took effect on February 1, 1999

2 IPL Energy Inc. changed its name to Enbridge Inc. effective October 13, 1998 and effected a 2 for 1 stock split on May 10, 1999

3 Nova Scotia Power Inc. changed its name to NS Power Holdings Inc. effective June 6, 1999

4 Reflects the 2 for 1 stock split effected by The QuébecTel Group Inc. on June 16, 1998

5 Reflects the merger of TransCanada Pipelines Limited and NOVA Corporation, which took effect on July 2, 1998

In accordance with Regulations under the Securities Act (Ontario), a Statement of Portfolio Transactions (unaudited) for the year ended May 21, 1999 will be provided without charge upon request to the Company.
See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

May 21, 1999

1. Corporate Activities

Utility Corp. (the "Company"), incorporated under the laws of Ontario, is a closed-end mutual fund corporation. Following the completion of its capital reorganization on May 19, 1998, the Company's investment portfolio (the "Portfolio") consists entirely of publicly listed common shares of selected Canadian utility companies. As a result of the reorganization, 3,427,908 of the existing Class A Shares were converted into new Class C Shares on a one-for-one basis. The new Class C Shares have substantially the same terms and conditions as the Class A Shares, which were redeemed and de-listed from The Toronto Stock Exchange (the "TSE") on May 19, 1998.

As a result of the Company's Special Annual Retraction on May 18, 1999, a total of 457,265 (1998 - nil) Class C Shares were exchanged for portfolio securities and cash with an aggregate value of $18,096,222. The retraction has been accounted for as a distribution of the net realized gain of $8,086,051 related to the distribution of underlying portfolio securities on retraction, a pro-rata reduction of the distribution in respect of unrealized appreciation in the amount of $475,914, a pro-rata reduction of share capital in an aggregate amount of $11,431,625, and a reduction of the related share issue and reorganization costs in an amount of $945,540.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The more significant accounting policies are as follows:

Investments

The Company's investment portfolio is carried at market value. The market value is computed using the closing price on the TSE or another exchange or market. If no closing price is available, an average of the bid and ask prices from the TSE is used.

Investment transactions are recorded on a trade-date basis.

Revenue Recognition

Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis.

Financial Statement Presentation

The comparative financial statements for 1998 have been restated to conform with the financial statement presentation adopted for 1999.

3. Share Capital

Authorized, Issued and Outstanding

The Company's authorized share capital consists of an unlimited number of Class C Shares and ten Class B Shares.

For the year ended May 21, 1999, the carrying value of the Class C Shares is presented net of issue costs of $3,911,281 (1998 - $4,513,336) and of reorganization costs of $2,231,452 (1998 - $2,598,562).

	1999	1998
2,970,643 Class C Shares (1998 - 3,427,908)	$ 68,123,342	$ 78,585,802
	10	10
10 Class B Shares	$ 68,123,352	$ 78,585,812

Class C Shares

Holders of the Class C Shares will be entitled to receive dividends as declared by the Board of Directors of the Company (the "Board"). The Board has indicated that its policy is to declare and pay equal monthly dividends on the Class C Shares based on expected annual dividend and interest income less expected annual expenses.

The Class C Shares will be redeemed by the Company on or about May 18, 2003 (the "Class C Redemption Date") for a redemption price (the "Class C Redemption Price") equal to the Net Asset Value per Class C Share on such date, following the liquidation of the Portfolio.

Except as described below, Class C Shares may be surrendered at any time for retraction and holders of Class C Shares who tender their shares for retraction one or more business days prior to the 9th day of each month (a "Valuation Date") will receive payment on the 7th business day following such Valuation Date.

If a Class C Shareholder surrenders 10,000 or more Class C Shares for retraction in any month other than in the month of May commencing in 1999, such shareholder may elect to receive (and if such election is accepted by the Company will receive) 95% of its pro rata share of the portfolio securities rounded down to the nearest share plus (minus) a number of portfolio securities, as selected by the administrator, valued at the closing price on the Valuation Date, that would represent the pro rata share of the amount by which the value of the other assets of the Company exceed (are less than) the liabilities (including dividends received and interest income earned by the Company (net of expenses) which have not been declared as dividends on the Class C Shares) of the Company on the retraction date less $1.00 per share retracted. Class C shareholders not requesting an in specie distribution as described in this paragraph will receive a cash retraction price per Class C Share equal to 95% of the Net Asset Value per Class C Share less $1.00 per share retracted.

Class C shareholders surrendering 10,000 or more Class C Shares for retraction in the month of May in any year commencing 1999 may elect to receive (and if such election is accepted by the Company will receive) their pro rata share of the portfolio securities rounded down to the nearest share plus (minus) a number of portfolio securities, as selected by the administrator, valued at the closing price on the Valuation Date, that would represent the pro rata share of the amount by which the value of the other assets of the Company exceed (are less than) the liabilities (including dividends received and interest income earned by the Company (net of expenses) which have not been declared as dividends on the Class C Shares) of the Company on the retraction date. Class C shareholders not requesting an in specie distribution as described in this paragraph will receive a cash retraction price equal to 100% of the Net Asset Value per Class C Share.

It should be noted that all the above retractions constitute a taxable disposition of the Company's Shares at the time of the retraction whether the retraction is received in the form of cash or portfolio securities.

Holders of Class C Shares are not entitled to vote any of the portfolio securities held by the Company or at meetings of the Company other than meetings of the holders of Class C Shares, except as provided by law.

Class B Shares

The Class B Shares rank subsequent to the Class C Shares as a class with respect to the payment of dividends and the repayment of capital on the dissolution, liquidation or winding-up of the Company. In the event of the liquidation, dissolution or winding-up of the Company the holders of the Class B Shares shall be entitled to receive from the assets of the Company $1.00 per Class B Share. No dividends will be declared or paid on the Class B Shares.

The Class B Shares are redeemable and retractable at a price of $1.00 per share, being the stated capital thereof. The holders of Class B Shares are entitled to one vote per share.

4. Distribution in Respect of Unrealized Appreciation

A distribution of $3,567,709 in respect of unrealized appreciation was made to redeeming shareholders on May 19, 1998 as a result of the capital reorganization. At that time the disposal of common shares was not effected on a pro-rata basis due to the sale of the Portfolio debt securities. The distribution represents the unrealized gains which would have been realized had the Portfolio been liquidated on a pro-rata basis. The

balance has been reduced for the current year on a pro-rata basis to reflect the Special Annual Retraction on May 18, 1999.

5. Other Expenses

Other expenses include costs incurred for filing fees, insurance expense, bank charges and the Year 2000 readiness plan.

6. Income Taxes

The Company qualifies and intends to continue to qualify as a mutual fund corporation under the *Income Tax Act* (Canada) (the "Tax Act"). As a result thereof and after deduction of share issue costs in computing taxable income, the Company does not anticipate that it will be subject to any material non-refundable income tax liability other than under Part IV of the Tax Act, as anticipated in the Information Circular dated December 29, 1997. Due to the absence of debt in the Company's Portfolio following the capital reorganization, Part IV tax in the amount of $283,679 has been incurred for the 1999 year.

7. Related Party Information

The Company has retained ScotiaMcLeod Inc. ("SMI") under an administration agreement (the "Administration Agreement"), originally dated May 17, 1993 and renewed under substantially the same terms on May 19, 1998, to administer all of the ongoing operations of the Company. In consideration for these services, the Company pays SMI a monthly management fee in advance equal to 1/12 of 0.25% of the assets of the Company. Furthermore, if the Company elects to receive stock dividends or participate in a dividend reinvestment plan, the amount (the "dividend excess"), by which the proceeds received on such disposition of such portfolio securities, net of any costs of disposition and taxes which are not currently refundable, exceed such amount of cash dividends which would otherwise have been received by the Company, will be paid to SMI. The Administration Agreement will expire when all of the Class C Shares have been retracted or redeemed, which is expected to be on or about May 18, 2003.

All of the issued and outstanding Class B Shares of the Company are held by D.F.S. Holdings Limited which, in turn, is held by a director and officer of SMI. Such shares have been lodged in escrow and will not be disposed of or dealt with in any manner until all of the Class C Shares have been retracted or redeemed or without the express consent, order or direction in writing of the Ontario Securities Commission.

During the year, the Company paid SMI commissions of $2,273 (1998 - $96,635) for the sale of portfolio securities to fund the Special Annual Retraction (1998 - redemption).

8. Net Asset Value Per Share

The "Net Asset Value per Class C Share" on a particular date will be equal to:

(i) cash on hand plus the Market Price (as defined below) of the Portfolio common shares and other investments of the Company;

less the aggregate of:

(ii) liabilities, including declared but unpaid dividends on the Class C Shares;

(iii) dividends received and interest income earned by the Company (net of expenses) which have not been declared as dividends on the Class C Shares; and

(iv) the amount paid-up on the Class B Shares;

all as determined by the Board, divided by the number of Class C Shares then outstanding.

The "Market Price" of each security in the Portfolio for the purpose of calculating the Net Asset Value per Class C Share will be equal to the weighted average price (net of any sales commissions) per security realized upon the disposition by the Company of such Portfolio security sold to fund a retraction.

Where the Board determines that it is not practicable to sell the proportionate interest in the Portfolio

represented by the Class C Shares being retracted, the Market Price of any securities in the Portfolio will be: (i) the closing price for such security on the TSE on the trading day immediately preceding the relevant Valuation Date; (ii) if no trading occurred on such day on the TSE, the trading price at which such security traded on such other exchange or market as the administrator may select on such day; or (iii) if no trading prices are available from any exchange or market, the average of the bid and ask prices for such security at closing on the TSE on such day.

For the purpose of reporting the Net Asset Value per Class C Share from time to time, the Net Asset Value per Class C Share on a particular day will be calculated using the Market Price of the portfolio securities as at the close of trading on such day or, if it is not a trading day, the trading day immediately preceding such day.

9. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of investee companies, suppliers, or other third parties, will be fully resolved.

10. Statement of Corporate Governance Practices

The Toronto Stock Exchange adopted a by-law requiring each listed corporation incorporated in Canada to publish a "Statement of Corporate Governance Practices" with reference to the guidelines contained in a report published by The Toronto Stock Exchange Committee on Corporate Governance in Canada (the "TSE Report"). The Company is required to disclose whether it complies with the guidelines and explain any departures from them.

The Corporate Governance Guidelines address matters related to the mandate, constitution and independence of the Board and its committees. Judgement is required in applying these guidelines since the structure and circumstances of individual organizations vary considerably. Therefore, compliance with all the guidelines may not be practicable or desirable.

The Board has assessed the requirements of these Corporate Governance Practices as they pertain to the Company. The scope of this assessment has considered the particular needs of the Company as defined in its articles and by its Prospectus. As a result of this assessment, the Board has determined that where applicable, the Company is in compliance.

UTILITY CORP.

CORPORATE INFORMATION

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Officers & Directors

Donald W. Paterson *
Chairman

Robert C. Williams
President and Chief Executive Officer

Michael K. Warman *
Chief Financial Officer and Secretary

Stanley M. Beck

Brian D. McChesney

John B. Newman *

**Audit Committee Member*

Registrar & Transfer Agent

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151 Front Street West
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Legal Counsel

Fasken Campbell Godfrey
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Auditors

Ernst & Young LLP
Toronto, Ontario

Stock Exchange Listing

The Toronto Stock Exchange

Symbol

Class C Shares - UTC.C

095 6690 6/99